

TABLE 1. Acreage Summary, Quay County,
Projected 2016

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY
FARM SIZE.....	800 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS..	3

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.00 *
ALFALFA	60.00
GRAIN SORGHUM	289.00
ARP	0.00
FLEX IN GRAIN SORGHUM	51.00
WHEAT	340.00
ARP	0.00
FLEX IN GRAIN SORGHUM	60.00
TOTAL	800.00

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County,
Projected 2016

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$6.00
Grain Sorghum		\$/pound	\$1.70
Wheat		\$/pound	\$0.30
Energy:			
Diesel fuel		\$/gallon	\$2.55
Gasoline		\$/gallon	\$2.40
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	5.50%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.50%
Real Interest Rate		percent	3.00%
Land Taxes	\$38.00	/acre (full value)	\$0.33
Personal Property Tax Rate	-NR	\$/ \$1,000 (Assessed Value)	\$25.79
	- R		\$20.79
Supervision Factor		\$/labor hour	\$1.00
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County,
Projected 2016

Item			
Electricity (Domestic & Shop)		\$231.25 per month	\$2,775
Telephone		\$137.50 per month	\$1,650
Accounting & Legal			\$1,581
Misc. Supplies & Hand Tools			\$2,306
Pickup and Auto			
miles	25,750	@ \$0.500 per mile	\$12,875
Insurance			
- general liability (non-employee)			\$1,506
- fire/theft			\$1,269
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$1,000
Farmstead Equipment			\$475
		Total	\$31,448
		Total per planted acre	\$39.31

TABLE 5. Alfalfa establishment, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2016
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
PURCHASED INPUTS									
ALFALFA SEED	\$6.00	10 LBS	\$60.00						\$60.00
WHEAT SEED	\$0.30	30 LBS	\$9.00						\$9.00
SUBTOTAL			\$69.00						\$69.00
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP	145 HP	0.10 HR		\$0.86	\$2.29	\$0.85	\$3.75	\$7.74	
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.24	\$0.14	\$0.25	\$2.32	
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.40	\$0.18	\$1.49	\$3.83	
FLY ON ALFALFA SEED			\$4.50					\$4.50	
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$4.93	\$1.16	\$5.49	\$18.39	
OVERHEAD EXPENSES									
DOWNTIME		0.07 HR		\$0.58					\$0.58
EMPLOYEE BENEFITS				\$0.42					\$0.42
INSURANCE			\$0.05						\$0.05
SUPERVISION AND MANAGEMENT				\$6.45					\$6.45
SUBTOTAL		0.07 HR	\$0.05	\$7.45					\$7.49
TOTAL OPERATING EXPENSES		0.34 HR	\$73.55	\$9.76	\$4.93	\$1.16	\$5.49	\$94.88	

TABLE 6. Alfalfa hay, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2016
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA FA HAY	\$185.00	1.50 TONS (IN FIELD)						\$277.50
GRAZING	\$12.00	1.00 ACRE						\$12.00
TOTAL								\$289.50
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$3.12	13 LBS	\$40.11				\$15.81	\$40.11
: Interest		6 YEARS					\$3.00	\$3.00
SUBTOTAL			\$40.11				\$18.81	\$58.92
HARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$4.10	\$4.58	\$0.28	\$26.24	\$35.21
BALER (3X)	96 HP	0.63 HR		\$5.39	\$9.78	\$0.67	\$4.06	\$19.90
SUBTOTAL		1.11 HR		\$9.49	\$14.37	\$0.95	\$30.30	\$55.11
OVERHEAD EXPENSES								
DOWNTIME		0.28 HR		\$2.37				\$2.37
EMPLOYEE BENEFITS				\$1.71				\$1.71
INSURANCE			\$0.19					\$0.19
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$21.38				\$21.38
OTHER EXPENSES			\$39.31					\$39.31
SUBTOTAL		0.28 HR		\$39.50	\$25.46		\$0.33	\$65.28
TOTAL OPERATING EXPENSES		1.39 HR		\$79.61	\$34.95	\$14.37	\$0.95	\$179.31
NET OPERATING PROFIT								\$110.19
INTEREST ON OPERATING CAPITAL		(\$21.33	@	5.50%)		\$1.17
INTEREST ON EQUIPMENT INVESTMENT								\$17.74
RETURN TO LAND AND RISK								\$91.28

BUDGET SUMMARY

GROSS RETURN		\$289.50	
VARIABLE OPERATING EXPENSES	\$94.92		
RETURN OVER VARIABLE EXPENSES		\$194.58	(GROSS MARGIN)
FIXED EXPENSES	\$49.44		
NET FARM INCOME		\$145.14	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$34.95		
NET OPERATING PROFIT		\$110.19	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.91		
RETURN TO LAND AND RISK		\$91.28	

TABLE 7. Grain sorghum, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County,
 Projected 2016
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.91	16.00 CWT		\$94.63
DIRECT PAYMENT	\$0.00	16.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
TOTAL				\$99.63

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.70	3 LBS	\$4.25		\$4.25
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
SUBTOTAL			\$19.44		\$19.44

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.29	\$0.85	\$3.75	\$7.74
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.24	\$0.14	\$0.25	\$2.32
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$2.80	\$0.46	\$2.16	\$6.96
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$4.04	\$0.89	\$1.26	\$8.42
SUBTOTAL		0.62 HR		\$5.30	\$10.36	\$2.34	\$7.42	\$25.43

HARVEST OPERATIONS								
COMBINE	22 FT	0.14 HR		\$1.20	\$2.98	\$0.39	\$12.77	\$17.34
HAUL	2 TON	0.14 HR		\$1.20	\$2.27	\$0.90	\$6.48	\$10.85
SUBTOTAL		0.28 HR		\$2.39	\$5.25	\$1.29	\$19.25	\$28.19

OVERHEAD EXPENSES								
DOWNTIME		0.23 HR		\$1.92				\$1.92
EMPLOYEE BENEFITS				\$1.73				\$1.73
INSURANCE			\$0.15					\$0.15
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$7.87				\$7.87
OTHER EXPENSES			\$39.31					\$39.31
SUBTOTAL		0.23 HR	\$39.46	\$11.53			\$0.33	\$51.32

TOTAL OPERATING EXPENSES		1.35 HR	\$43.71	\$19.22	\$15.61	\$3.64	\$27.00	\$109.19
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NET OPERATING PROFIT								(\$9.56)
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INTEREST ON OPERATING CAPITAL	(\$13.44	@	5.50%)			\$0.74
INTEREST ON EQUIPMENT INVESTMENT								\$9.97

RETURN TO LAND AND RISK								(\$20.27)
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BUDGET SUMMARY

GROSS RETURN		\$99.63	
VARIABLE OPERATING EXPENSES	\$62.96		
RETURN OVER VARIABLE EXPENSES		\$36.67	(GROSS MARGIN)
FIXED EXPENSES	\$27.00		
NET FARM INCOME		\$9.66	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$19.22		
NET OPERATING PROFIT		(\$9.56)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.71		
RETURN TO LAND AND RISK		(\$20.27)	

TABLE 8. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County,
 Projected 2016
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE						TOTAL	
GROSS RETURNS										
WHEAT	\$5.00	14.00 BUSHELS							\$70.00	
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85						\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00	
GRAZING	\$2.00	1.00 ACRE							\$2.00	
TOTAL									\$72.00	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$0.30	25 LBS	\$7.50							\$7.50
CROP INSURANCE	\$0.15		\$0.15							\$0.15
SUBTOTAL			\$7.65							\$7.65
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$5.94	\$2.21	\$9.75	\$20.12		
RODWEED	145 HP	0.16 HR		\$1.37	\$3.66	\$0.99	\$5.72	\$11.73		
DRILL	96 HP	0.09 HR		\$0.77	\$1.40	\$0.18	\$1.49	\$3.83		
SUBTOTAL		0.51 HR		\$4.36	\$11.00	\$3.37	\$16.96	\$35.69		
HARVEST OPERATIONS										
COMBINE	22 FT	0.14 HR		\$1.20	\$2.98	\$0.39	\$13.47	\$18.04		
HAUL	2 TON	0.14 HR		\$1.20	\$2.27	\$0.90	\$6.48	\$10.85		
SUBTOTAL		0.28 HR		\$2.39	\$5.25	\$1.29	\$19.95	\$28.89		
OVERHEAD EXPENSES										
DOWNTIME		0.20 HR		\$0.74				\$0.74		
EMPLOYEE BENEFITS				\$1.01				\$1.01		
INSURANCE			\$0.14					\$0.14		
LAND TAXES							\$0.33	\$0.33		
SUPERVISION AND MANAGEMENT				\$3.60				\$3.60		
OTHER EXPENSES			\$39.31					\$39.31		
SUBTOTAL		0.20 HR	\$39.44	\$5.35			\$0.33	\$45.12		
TOTAL OPERATING EXPENSES		0.99 HR	\$46.94	\$12.11	\$16.25	\$4.67	\$37.24	\$117.20		
NET OPERATING PROFIT								(\$45.20)		
INTEREST ON OPERATING CAPITAL		(\$7.96 @	5.50%)				\$0.44		
INTEREST ON EQUIPMENT INVESTMENT								\$13.41		
RETURN TO LAND AND RISK								(\$59.05)		

BUDGET SUMMARY			
GROSS RETURN		\$72.00	
VARIABLE OPERATING EXPENSES	\$67.86		
RETURN OVER VARIABLE EXPENSES		\$4.14	(GROSS MARGIN)
FIXED EXPENSES	\$37.24		
NET FARM INCOME		(\$33.10)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$12.11		
NET OPERATING PROFIT		(\$45.20)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.84		
RETURN TO LAND AND RISK		(\$59.05)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County,
Projected 2016

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$185.00	\$5.91	\$5.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$289.50	\$99.63	\$72.00
CASH OPERATING EXPENSES				
SEED	\$60.00		\$4.25	\$7.50
FERTILIZER	\$9.00			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$40.30	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.93	\$14.37	\$15.61	\$16.25
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$39.31	\$39.31	\$39.31
TOTAL CASH EXPENSES	\$79.64	\$95.25	\$63.41	\$68.33
RETURN OVER CASH EXPENSES	(\$79.64)	\$194.25	\$36.22	\$3.67
FIXED EXPENSES	\$5.49	\$49.11	\$26.68	\$36.91
TOTAL EXPENSES	\$85.13	\$144.36	\$90.09	\$105.24
NET FARM INCOME	(\$85.13)	\$145.14	\$9.54	(\$33.24)
LABOR AND MANAGEMENT COSTS	\$9.76	\$34.95	\$19.22	\$12.11
NET OPERATING PROFIT	(\$94.88)	\$110.19	(\$9.68)	(\$45.35)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.17	\$0.74	\$0.44
INTEREST ON EQUIPMENT INVESTMENT		\$17.74	\$9.97	\$13.41
TOTAL CAPITAL COSTS	\$0.00	\$18.91	\$10.71	\$13.84
RETURN TO LAND AND RISK	(\$94.88)	\$91.28	(\$20.39)	(\$59.20)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2016

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$16,650
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$37,851
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$23,800
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$81,701</u>
CASH OPERATING EXPENSES		
SEED		\$4,610
FERTILIZER		\$54
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,526
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$12,661
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$261
OTHER EXPENSES		\$31,448
TOTAL CASH EXPENSES		<u>\$54,790</u>
RETURN OVER CASH EXPENSES		\$26,911
FIXED EXPENSES		\$25,252
TOTAL EXPENSES		\$80,042
NET FARM INCOME		\$1,659
LABOR AND MANAGEMENT COSTS		\$13,961
NET OPERATING PROFIT		(\$12,302)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$515
INTEREST ON EQUIPMENT INVESTMENT		\$9,610
TOTAL CAPITAL COSTS		<u>\$10,125</u>
RETURN TO LAND AND RISK		<u>(\$22,427)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$26,027)	-4.92%
\$300 /ACRE	(\$29,627)	-3.32%
\$450 /ACRE	(\$33,227)	-2.51%
\$600 /ACRE	(\$36,827)	-2.02%
\$750 /ACRE	(\$40,427)	-1.68%
\$900 /ACRE	(\$44,027)	-1.45%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)